



Net Zero Road Testing Welcome pack

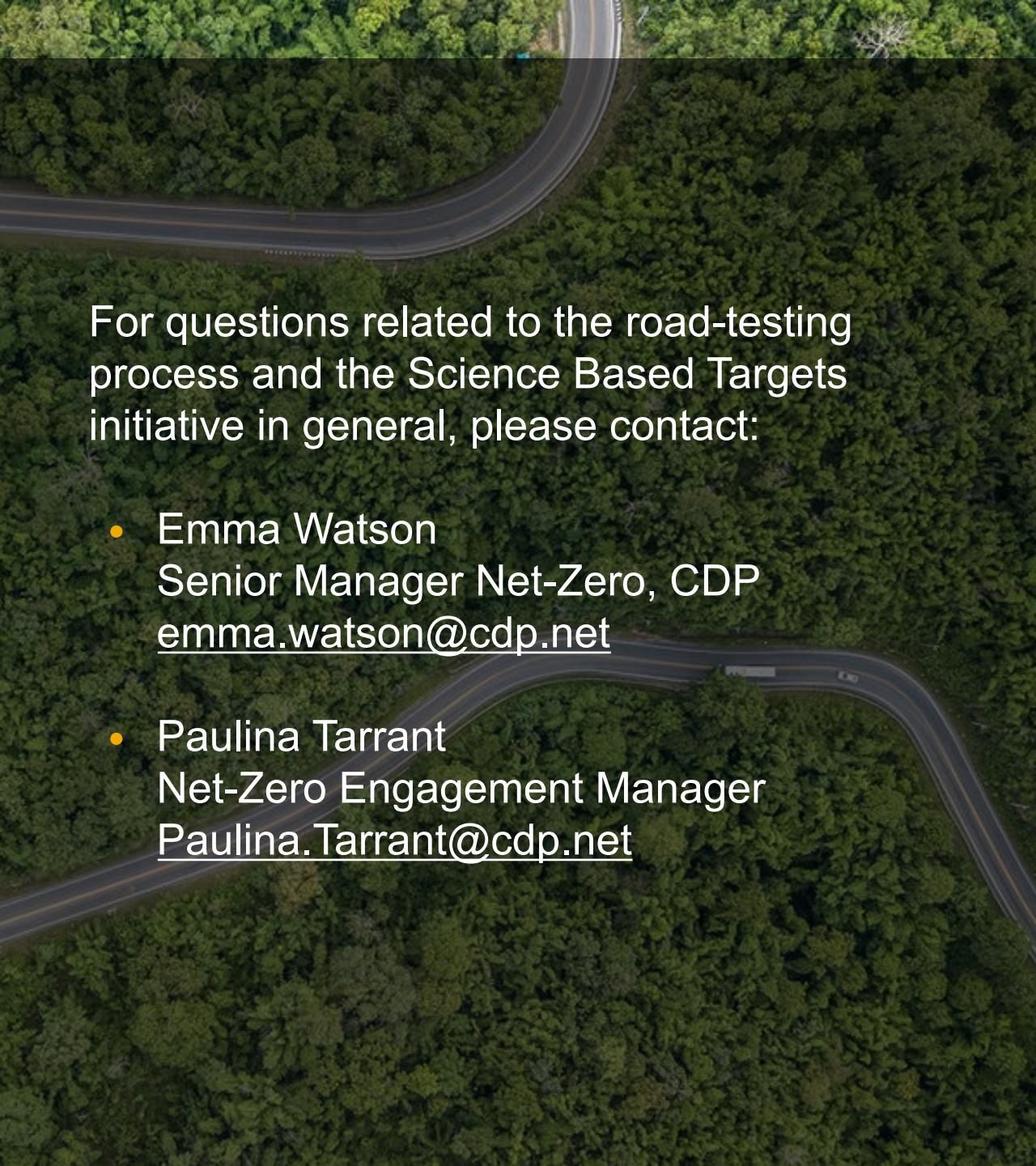
June 2021

Congratulations on being selected as road tester for NZ Standard! Your input will be critical to the finalization of the NZ standard

This pack provides all necessary information for the road testing process - **please review carefully.**

In order to make your participation final, please submit participation preferences through **this link** before **7 July**

➤ Indication throughout document when information from participants is required

An aerial photograph showing a two-lane asphalt road curving through a dense, green forest. The road is dark grey and appears to be in good condition. The surrounding trees are a mix of different shades of green, indicating a healthy forest. The perspective is from above, looking down the length of the road.

For questions related to the road-testing process and the Science Based Targets initiative in general, please contact:

- Emma Watson
Senior Manager Net-Zero, CDP
emma.watson@cdp.net
- Paulina Tarrant
Net-Zero Engagement Manager
Paulina.Tarrant@cdp.net

Confidentiality statement

We plan to list road testers as contributors to the Net-Zero Standard. They will also have the opportunity to engage publicly in the process. However, this is no requirement nor is it to publicly state their participation or commit to the SBTi.

The road test is independent of the SBTi target validation process. However, we may be able to accelerate your request. Companies can use the final framework to be launched in 2021 for official target validations.

Road testing modelling results and feedback will be held in confidence. Road testers may share only as much information about their modeling results as they wish.

Please contact Paulina Tarrant (Paulina.Tarrant@sciencebasedtargets.org) if an NDA needs to be signed for SBTi partners to collect target modelling results.



Please indicate in the survey (see last page) if you wish your participation to remain confidential

Agenda

➤ Objectives & expectations

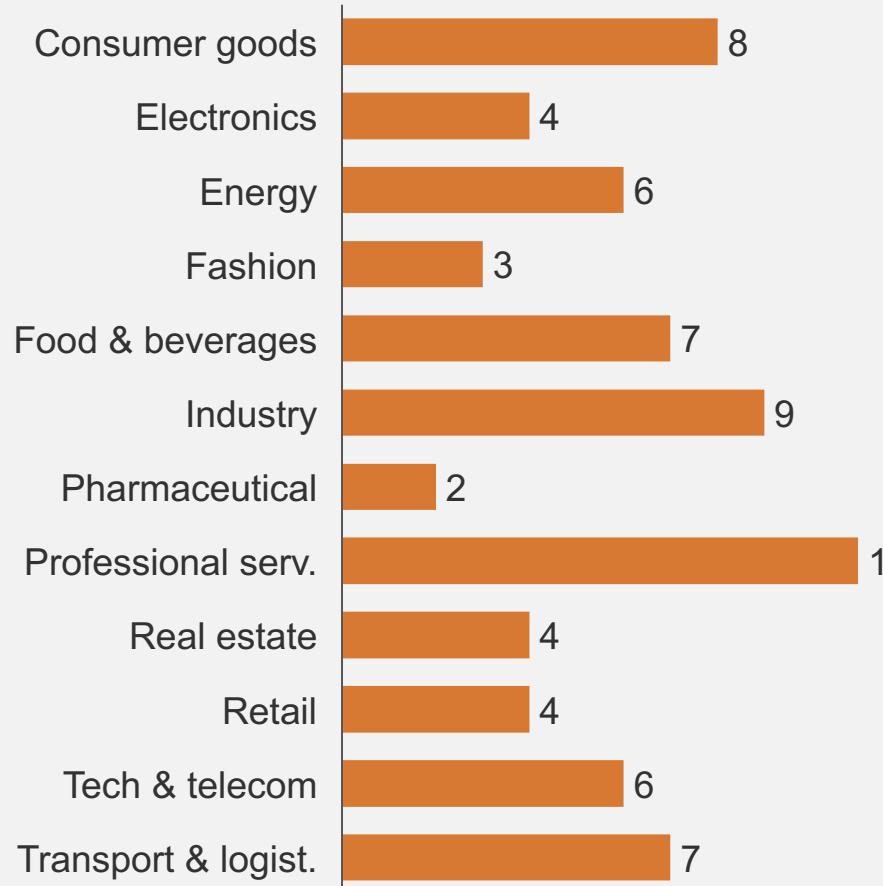
Approach

Developing the Net Zero Standard

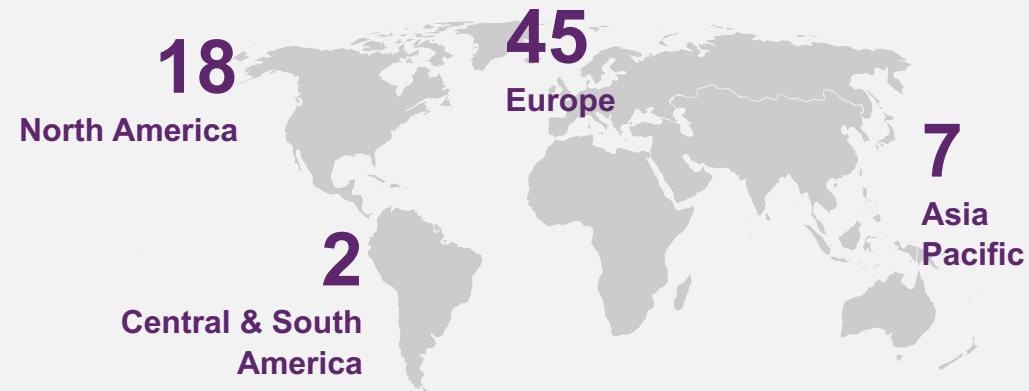
Preparation requirements

Context | 72 companies have been selected to participate in the road-testing

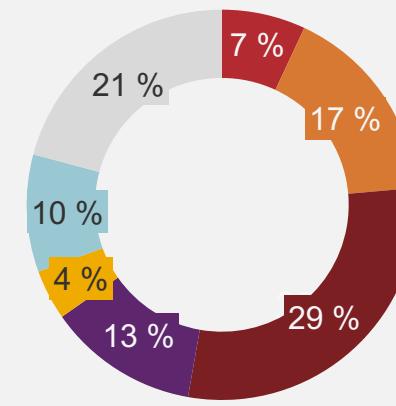
Industries



Geographies



Type of emissions



- No residual emissions expected
- Significant downstream
- Significant upstream
- Hard-to-abate industrial
- Hard-to-abate transport
- Land-use intensive
- Unclear

Objectives | Three key objectives for the road testing process

1

Gather feedback on the clarity, robustness and practicality of the target setting tool, criteria and guidance

2

Identify key challenges for adoption and implementation of the standard across industries

3

Build a strong network of NZ Standard promoters and advocates

Deliverables |
We expect a
time investment
of ~ 8-40 hours
from participants
to complete the
road-testing



Deliver target modelling results

- Trial the target-setting tool
- Share results with SBTi*

Expected of all participants



Provide detailed feedback through survey

- Review the criteria
- Answer all questions in the survey

Recommended to all participants



Engage timely with SBTi to address issues

- Participate in workshops where possible
- Make use of office hours to discuss any questions, obstacles, or suggestions
- Participate in one-on-one discussions as needed

Optional



Become an NZ SBTi advocate

- Take part in deep dive interviews to discuss adoption barriers, expectations, gaps, etc.
- Develop case studies

➤ Please indicate interest for optional contributions in the survey (see last page)

Resources | Tools & resources available to guide you through the process



Resources provided at start

- Instructions
- Road test version of draft Net-Zero Criteria
- NZ target setting tool
- Feedback survey
- Road test guidance



Resources during process

- Launch webinar
- 3x Workshop
- Office hours
- One-on-ones when requested
- Deep dive interviews
- Collaboration with SBTi to develop case studies



Other useful materials

- [Interim SBT corporate manual](#)
- [Interim SBT How-to-Guide](#)
- [Interim SBT criteria and recommendations*](#)
- [Interim SBT target validation protocol](#)
- [Interim SBT Sector specific guidance](#)
- [Net Zero foundations paper](#)
- [Net-Zero webpage](#)
- Interim SBT target setting tool (*available on SBTi website*)

Agenda

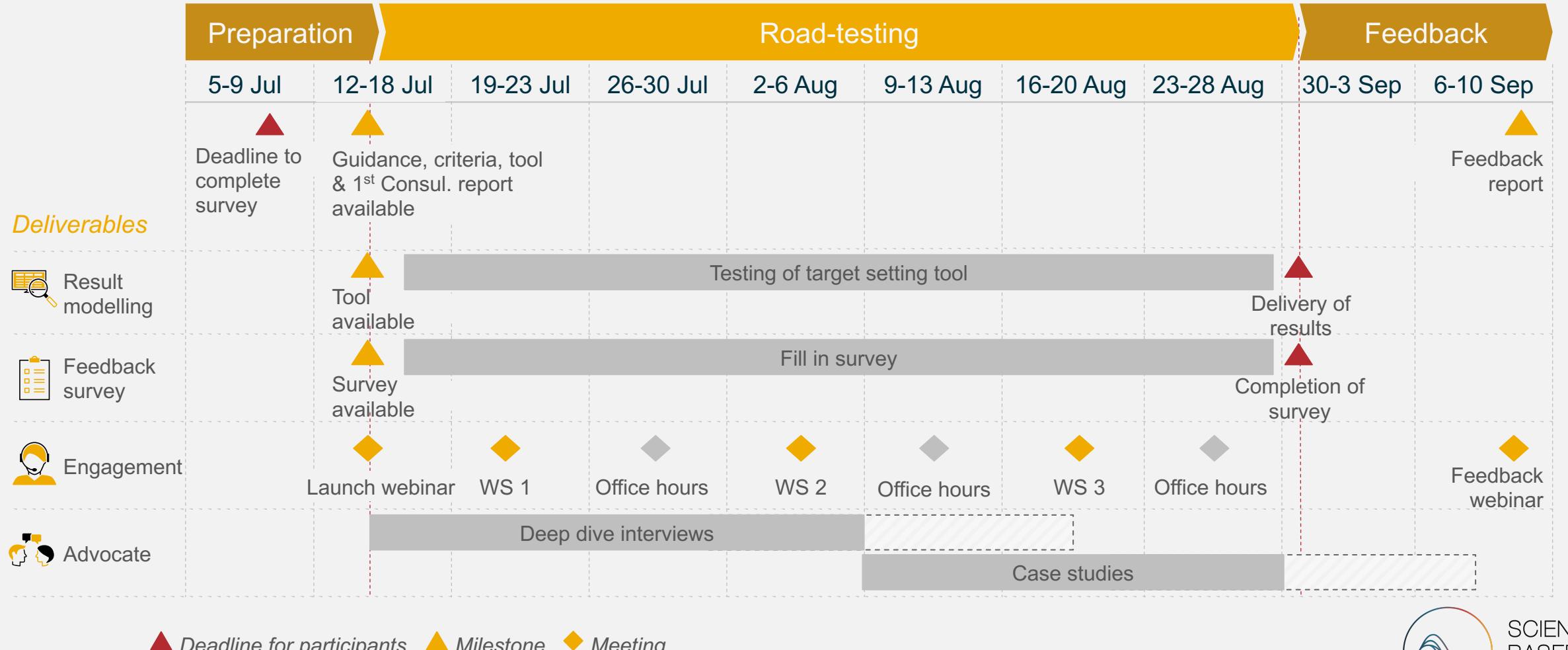
Objectives & expectations

➤ Approach

Developing the Net Zero Standard

Preparation requirements

Timeline | Road-testing to be completed in 6 weeks

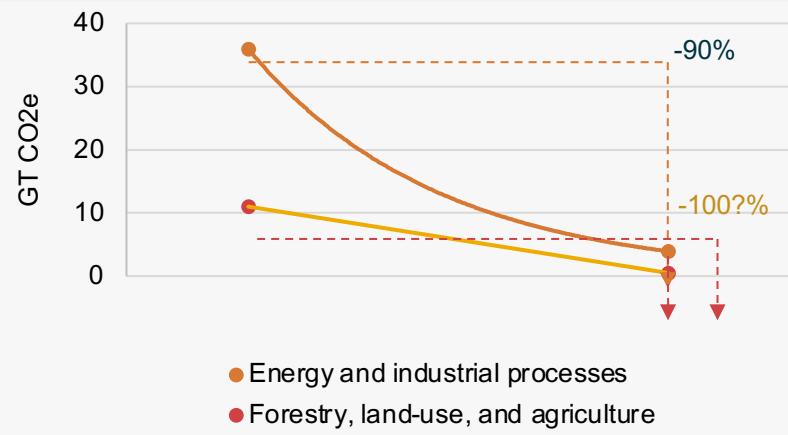




Result modelling | Two deep decarbonization target methods tested in road test

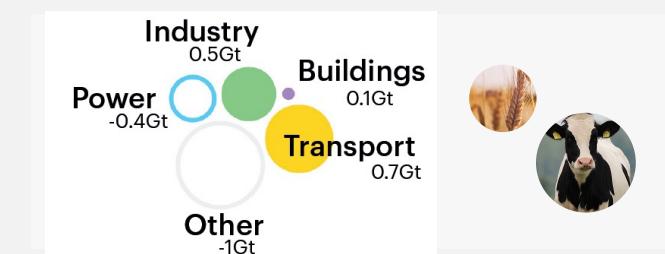
Method 1. Absolute contraction

- “One-size-fits-all” method
- Separate absolute targets required for *energy & industrial processes* and *forestry, land-use and agriculture (FLAG)*



Method 2. Sector/activity-based

- Company-specific targets reflect different levels of residual emissions per activity
- Companies in heavy-emitting sectors may use the method to calculate intensity convergence targets (like SDA)
- Demand-side companies may use the method to calculate company-specific absolute targets based on sectoral absolute contraction



You will be able to test both methods to calculate your Net Zero emission reduction target and target year in the SBTi tool



Result modelling | Calculate your Net-Zero target

Data needed to calculate your Net-Zero target with the SBTi Tool



Your scope 1, 2 & 3 emission inventory



Your base year

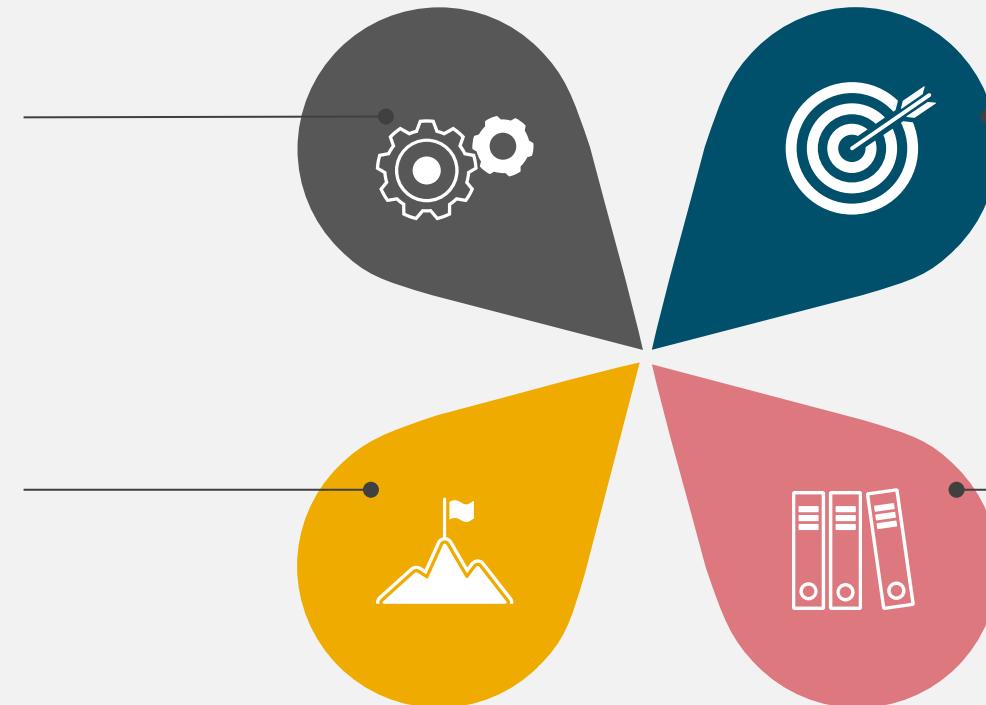
– Detailed guidance on the road test and tool will follow

More detailed guidance will be provided before start of road-testing, and we will be available to support you in every step of the way



Feedback survey | Survey gathers your structured input on four key dimensions

Overall NZ method
Questions on the criteria, pathways and framework options



Feasibility and key challenges
Questions on how realistic the results and timelines are for your specific industry and what adoption barriers you would see for wide-scale implementation

Target setting tool
Questions on user-friendliness of the tool in general

Supporting materials
Questions on ease of use and clarity of the materials provided to support the process (e.g. instructions, guidance, etc.)



Engagement | Meetings are organized to support participants and gather feedback during the process

CONFIDENTIALITY
We offer one-on-ones for participants that wish to remain confidential

	◆ Launch	◆ Workshop 1	◆ Office hours 1	◆ Workshop 2	◆ Office hours 2	◆ Workshop 3	◆ Office hours 3
Eastern (CEST)	15 July 10:00-11:00	22 July 10:00-11:00	28 July 10:00-10:50	5 August 10:00-11:00	11 August 10:00-10:50	19 August 10:00-11:00	25 August 10:00-10:50
Western (CEST)	15 July 15:00-16:00	22 July 16:00-17:00	29 July 16:00-16:50	5 August 16:00-17:00	12 July 16:00-16:50	19 August 16:00-17:00	26 August 16:00-16:50
Attendance	Required	Preferred	Optional	Preferred	Optional	Preferred	Optional
Topics covered ¹	Explanation of methods, tool, guidance, etc.	Further explanation & discussion around materials	Open to questions from participants	Discussion on criteria and clarity of materials	Open to questions from participants	Discussion on gaps, adoption barriers, etc.	Open to questions from participants

► Please indicate in the survey (see last page) if you wish your participation to remain confidential

Advocate | Advocates will collaborate more closely with SBTi to promote Net Zero

Deep dive interviews

Possibility to participate in deep dive interviews that will increase our understanding of key challenges that have to be overcome

Sample questions include¹:

- What does Net Zero mean for you?
- How does this differ from SBTi's definition and what are the greatest areas of divergence?
- What are your key drivers to set a Net Zero target?
- What would help you to reach your Net Zero target (in general and from SBTi)?
- What would it take for you to become a Net Zero advocate?

Develop case studies

Possibility to participate in external-facing case studies on the reason for participation, reflection on process, challenges, implementation, etc.



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Agenda

Objectives & expectations

Approach

➤ **Developing the Net Zero Standard**

Preparation requirements



A refresher on the definition of Net Zero from the SBTi Net-Zero foundations paper

**SBTi Net-Zero
Standard | The Net
Zero end state
reduces emissions
in line with the 1.5C
pathways and
neutralizes all
residual emissions**

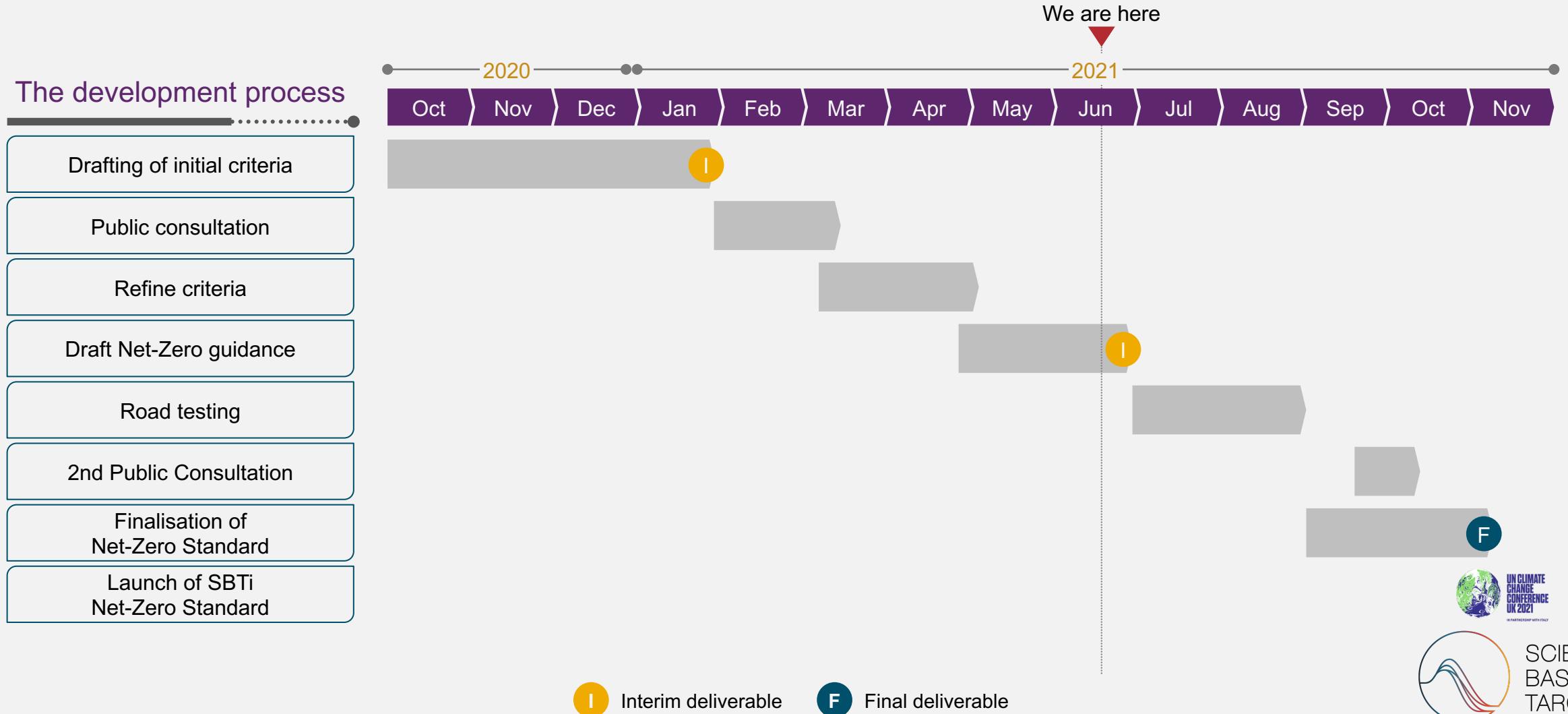
Defining the end state

- Reaching a state of no impact on the climate from GHG emissions
- Setting Net-Zero targets aligned with meeting societal climate goals requires which means:
 - Achieving a scale of value chain emissions reductions consistent with the depth of abatement in 1.5C pathways
 - Neutralising the impact of any residual emissions by permanently removing an equivalent volume of CO₂



*Please read our Net
Zero foundations
paper for more detail*

SBTi Net-Zero Standard | We are currently nearing the end of drafting the Net-Zero guidance



Agenda

Objectives & expectations

Approach

Developing the Net Zero Standard

➤ Preparation requirements

Please submit the survey below before the 7th July



Please fill in this survey to indicate your participation preferences before the 7th of July¹

Disclaimer

The views presented here in the public consultation document are a work-in-progress. They represent the views of its authors and incorporate perspectives conveyed by the Expert Advisory Group of the Net-Zero project. It is not meant to represent a definitive position of the Science Based Targets initiative, nor the official position of any of the SBTi partner organizations, nor of any of the organizations participating in the Net-Zero Expert Advisory Group.

Because this is work-in-progress, it may still change, perhaps profoundly.

Whilst every attempt is made to ensure that the information in this presentation is correct, the SBTi accepts no responsibility for its content or for any consequence to any individual or company as a result of decision following advice or guidance contained here



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION